

## Use Tax

### New Information

Collecting California use tax within 365 days of purchase was due to end on June 30, 2006, but new legislation has extended the date to June 30, 2007.

### Procedures

Collect California use tax for a vehicle or vessel purchased outside of California between **October 1, 2004, and June 30, 2007**, under the **365-day rule**.

A vehicle or vessel that was purchased or was the subject of a binding purchase contract **before October 1, 2004**, remains under the **90-day rule**.

### Background

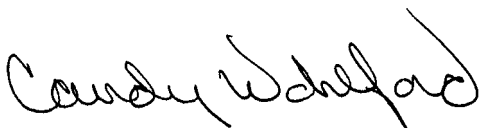
Use tax is due on all original vehicle/vessel registration applications and transfer applications of a vehicle/vessel purchased by the applicant from someone other than a licensed California dealer, manufacturer, or dismantler unless the transaction is specifically exempted from payment of use tax.

### Distribution

Notification that this memo is available online at [www.dmv.ca.gov](http://www.dmv.ca.gov) under Publications was made via e-mail alert in June 2006.

### Contact

Call the DMV Customer Communications Section at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.



CANDY WOHLFORD, Deputy Director  
Communication Programs Division